SEWARD & KISSEL LLP

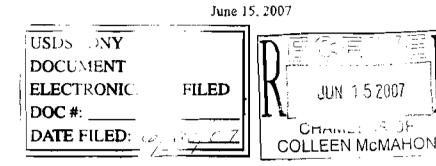
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VIA FACSIMILE

Hon. Colleen McMahon United States District Judge Daniel Patrick Moynihan United States Courthouse 500 Pearl Street, Room 640 New York, New York 10007



Re-Netsoft USA, Inc. v. Incremax Technologies Corporation, Kerry Gerontianos, and Louis Giuffre., No. 06-cv-14348 (CM) (DCF)

Dear Judge McMahon:

Seward & Kissel LLP represents defendants Incremax Technologies Corporation and Kerry Gerontianos (the "Incremax Defendants") in the referenced lawsuit. We write jointly with plaintiff Netsoft USA, Inc. ("Netsoft") pursuant to your April 13, 2007 Order to apprise your Honor of the status of the parties' settlement negotiations.

The Incremax Defendants and Netsoft have been and continue to be involved in settlement negotiations. While the parties have not yet reached a settlement, the parties are continuing settlement discussions. The parties will provide your Honor with an update in ten (10) days' time.

Also, as we noted during our April 13, 2007 conference with your Honor, defendant Louis Giuffre has not yet appeared in this matter and has not been party to the settlement discussions amongst the Incremax Defendants and Netsoft. We understand that Mr. Giuffre is represented in a criminal proceeding by Ellyn Bank, Esq.

MEMO ENDORSED

[jcs:se]

Kevin Doherty, Esq. via facsimile (845) 638-2707 cc:

M. William Munno, Esq.

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Respectfully submitted,

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